

irrevocable and nonforfeitable to the extent of any contributions made thereto by such employees; and *provided further*, the Commissioner of Revenue shall be empowered to promulgate rules and regulations regarding the qualification of such trusts for exemption under this subsection. The exemption of any trust under the provisions of the Federal income tax law shall be a prima facie basis for exemption of said trust under this paragraph. This subdivision shall be effective from and after January first, one thousand nine hundred and forty-four.

SUBSECTION (bb). Amend Section three hundred and seventeen by inserting at the end of Subdivision one the following:

The Commissioner of Revenue is hereby authorized, in his discretion, to adopt rules and regulations providing that recoveries of bad debts or similar items which have been charged off by banks or other businesses under the regulations and supervision of a State agency, where such charge-offs were required to be made by said supervising State agency, shall be includible in gross income to the same extent as such recoveries are includible in gross income under the Federal Income Tax Laws in effect at the time of the issuance of said rules and regulations, or to adopt such other rules and regulations regarding such recoveries as may be deemed just, reasonable and proper. These rules and regulations may be made applicable to charge-offs made prior to January first, one thousand nine hundred and forty-five, but not recovered until after January first, one thousand nine hundred and forty-five.

Relating to recoveries of charged-off debts.

SUBSECTION (c). Amend Section three hundred and seventeen, Subsection two, by adding a new subdivision to the end thereof to be designated as (g) and to read as follows:

(g). The rental value of any dwelling and the appurtenances thereof furnished to a minister of the gospel as a part of his compensation; also the rental value of any homes and quarters and the appurtenances thereof furnished the officers and employees of orphanages, whose duties require them to live on the premises and in buildings owned by such institutions, as a part of their compensation.

Rental value of dwellings used by pastors and employees of orphanages.

SUBSECTION (d). Amend Section three hundred and eighteen by adding thereto a new subdivision as follows:

5. In the case of trusts which qualify for exemption under Section three hundred and fourteen (10), employees or their beneficiaries shall include in their gross incomes only the amounts actually received or made available to them within the income year; *provided*, that if such employees have made contributions to such trusts, and the benefits are received as periodical payments, the amounts annually received shall be taxed as an annuity to the extent of three per cent (3%) of the amount of such